

press)

- Fixture 297-2: Top Crimping Tool, used to crimp ferrule & sleeve (used with arbor press)
- Fixture used to drill bodies on CNC milling machine (Qty: 2)
- Fixture: Tube cutting fixture used to cut 4' length
- Fixture: O-ring placement fixture used to install o-ring onto plunger

Syringe Assembly Tooling

- Fixture: Holding fixture for syringe and shrink tubing (front load syringe)
- Fixture: Holding fixture for syringe and shrink tubing (pour in syringe)
- Fixture: Rod fixture used to move plunger inside syringe (pour in syringe)

Additional Fixtures and Tooling that are Currently in Development

Additional Fixtures and Tooling Currently in Development

- Fixture 364: Fixture used to press and bond input valve into body (used with Arbor Press) (Qty: 1)
- Fixture 342: Wrench with stop used for tightening screw (Qty: 3)
- Fixture 343: Torque wrench used to torque tubing brass fitting into body (Qty: 2)
- Fixture 340: Multiple Holding Fixture, used to hold several liquid reservoir handles (Qty: 1)
- Fixture 351: Arbor press used to press ring with saline bag into liquid reservoir (Qty: 2)
- Fixture 296: Arbor press used to crimp ferrule and sleeve onto tubing (Qty: 2)
- Fixture 297-1: Bottom Crimping Tool, used to crimp ferrule & sleeve (used with arbor press) (Qty: 2)
- Fixture 297-2: Top Crimping Tool, used to crimp ferrule & sleeve (used with arbor press) (Qty: 2)
- Fixture 348: Pressurization fixture (Qty: 2)
- Fixture 365: Fixture used to drill bodies on CNC milling machine (Qty: 2)

Natrix Tooling, Validation & Production in Progress

Natrix Syringe Validations ETO

- ETO Sterilization Validation (not yet completed)
- Six-Month Packaging Validation (not yet completed)
- One-Year Packaging Validation (to be completed by early September 2008)
- Biocompatibility (not yet completed)

Natrix Delivery System Validations Gamma

- Microbial challenge (not yet completed)
- Packaging Validation (one year) (to be completed by September 2008)

Natrix Assembly Tooling & Production in Process

- Pressurization Fixtures (2 in process)
- FDA Grade Lubrication Qualification
- Housing Reservoir Strengthening
- Shrink Sleeve Consistency
- Reservoir Plunger Mold to eliminate secondary machining operation
- Syringe Cap Welding Improvements (to eliminate flash & increase tolerance on the .065 dimension)

Natrix Delivery System Research and Development Matters in Progress

- Sellers are currently in the process of improving the engineering processes in connection with the following research and development matters- all of which are on hold after the Closing unless otherwise instructed by Kyphon Sarl

Part # & Description	Description	Status	Comments
Saline Bag	Source alternative material to reduce saline loss (lower WMTR)	In process	Waiting for new samples requested on 06/24/2008. Evaluate new material

Relief Valve	Modify the pressure relief valve to optimize the consistency of delivery pressure. Change the spring and different material for the plunger valve.	In process	Awaiting sterile sample for evaluation
Handle Liquid Reservoir	Modify the mold to optimize the strength. Add ribs around the OD of the handle where the ring, saline bag, and handle are compressed together.	In process	Tooling modification in process
Tray and Lid 810-00	To decide version to be made (w/ or w/o pressure gauge cavity and syringe retain cavity)	On hold	Finalize the design
Self Prime	Research and develop self prime for Natrix Gun	In process	Order parts, build test samples, and evaluation
Pressure Gauge	a) Research appropriate pressure gauge for kyphoplasty application b) Sourcing and Sample c) Finalize	On hold	Continue sourcing vendors and evaluate samples
Pressure Gauge Adapter (manifold which connect the pressure gauge to the body)	a) Concept design and Modeling b) Prototype c) Finalize design c) RFQ d) Place order	On hold	Need to create two CAD version. One for molding and one for Machine method.
CARTRIDGE INPUT VALVE	Reduce production assembly cycle time. Assembly problematic.	On hold	Future project.
CARTRIDGE PRESSURE VALVE	Reduce production assembly cycle time. Assembly problematic.	On hold	Future project.
14CC Syringe	a) Preliminary design b) RFQ c) Place order	On hold	Future project.
02831033 Delivery gun sealing study (real-time, 6 months, 12months aging)	a) Gun sealing experiment (Loctite & Double O-rings) Samples b) Test Protocol c) Test d) Test Report b) Design and finalize drawing c) RFQ d) First article samples e) FA inspection f) Test g) Approval h) Post Sterilization Validation	Completed Completed In process In process Completed Completed Completed Completed On hold	Report for 6 months is completed. Waiting for 12 months due to evaluate samples. Ready to build, sterilize and validate. Test is on hold.
10cc Syringe	a) Post Gamma Sterilization Validation	Completed	Test Completed: Samples bursted at 3200-4600 psi
10cc Syringe	a) Post ETO Sterilization Validation	Completed	Test Completed: Samples bursted at 3800-4300 psi
Solid Stop on Syringe Connector			

Natrix Delivery System Miscellaneous Matters in Progress

- Sellers are currently in the process of improving the engineering processes in connection with the following miscellaneous matters- all of which are on hold following Closing unless otherwise instructed by Kyphon Sarl

Part # & Description	Description	Status	Comments
Mixing Cap	Modify the thread for more engagement. Build some samples with carbon filter cartridge to eliminate the PMMA odor.	In process	
Pressure Gauge	a) Research appropriate pressure gauge for kyphoplasty application	In process	Continue sourcing vendors and evaluate samples
	b) Sourcing and Sample	In process	
Mixing Cap Large Opening	a) Quote	Completed	Awaiting for 1st article samples from Bob
	b) 1st article sample	In process	
	c) Testing	TBD	
Fluid Aspiration Kit	Waiting feed back from Dave	In process	
Thick Cement	Source for vendor or chemist to formulate our own cement	In process	Evaluate and test samples
Vacuum Venting Port for Mixing System	Waiting feed back from Dave	On hold	
Pig's vertebrate experiment for thick cement and extravasation	a) Test protocol	On hold	
	b) Test fixtures	On hold	
	c) Test	On hold	
	d) Test report	On hold	

Section 3.1

Listing of Certain Assets and Data

Section 3.1.2 Business Intellectual Property

Inchoate Intellectual Property List- Disclosures

No.	Matter	Name	Disclosure
1	Disclosure/IR	Void Filling Device	High pressure delivery, using a PMMA or biologic with larger elements to potentially elevate endplates large enough elements to avoid extravasation only can be accomplished with higher pressure delivery
2	Disclosure/IR	BFD with Slats	Extruded out of disposable BFD delivery cartridge via high pressure no syringe between pressure line and BFD, direct hook up CFD preloaded with cylinders/slats to be extruded end feature controlling directional extrusion and stacking/orientation
3	Disclosure/IR	Wire Stent Mesh	Same principal as marlex mesh with cement pressurized outside extravasation outside mesh dependent on the high pressurized source
4	Disclosure/IR	Balloon Fill Kit	Cost: simple add on kit to existing Natrix configuration, eliminate need for Merit fill
5	Disclosure/IR	Height Restoration with Flexible Liner	2 step procedure without removal of balloon before injecting, again dependent on high pressure
6	Disclosure/IR	Pressure Gauge Gun	Tactile, audible and now visual reference to cement viscosity, safe confirmation of pressure release
7	Disclosure/IR	Tubing Length Greater Than 4' (current)	For greater protection in CT cases where greater right, greater distance desired
8	Disclosure/IR	Viscoplasty	Viscous cement balloon creating height elevation in one step, high pressure, directional delivery
9	Disclosure/IR	Proprietary Cement	To optimize viscous delivery system cement specs currently being characterized
10	Disclosure/IR	Manual Venting System	Part of wing nut assembly to manually vent air in the delivery syringe
11	Disclosure/IR	Wingnut Automatic Venting	Part of wing nut assembly that automatically vents air
12	Disclosure/IR	Fenestrated Cannula	High pressure delivery gun directional flow, balloon capsule

Intellectual Property Applications

Matter	Inventor	Assignee	Status
U.S. Patent Application Serial No. 10/776,209 Filed: 02/12/2004 Manual Pump Mechanism and Delivery System (79693.010700/US)	Lawrence Green & Arturo A. Gonzalez	Pabban Development, Inc.	Pending
Canadian Patent Application Serial No. 2,493,421 Filed: 01/20/2005 Manual Pump Mechanism and Delivery System (79693.010700/CA)	Lawrence Green & Arturo A. Gonzalez	Pabban Development, Inc.	Pending
Chinese Patent Application Serial No. 200510009418.X	Lawrence Green & Arturo A. Gonzalez	Pabban Development, Inc.	Pending

<p>Filed: 02/08/2005 Manual Pump Mechanism and Delivery System (79693.010700/CN)</p>			
<p>European Patent Application Serial No. 05000725.1 Filed: 01/14/2005 Manual Pump Mechanism and Delivery System (79693.010700/EP)</p>	<p>Lawrence Green & Arturo A. Gonzalez</p>	<p>Pabban Development, Inc.</p>	<p>Pending</p>
<p>Japanese Patent Application Serial No. 027859/2005 Filed: 02/03/2005 Manual Pump Mechanism and Delivery System (79693.010700/JP)</p>	<p>Lawrence Green & Arturo A. Gonzalez</p>	<p>Pabban Development, Inc.</p>	<p>Pending</p>
<p>U.S. Trademark Application Serial No. 76/660,760 Reg No. 3,392,320 Filed: 05/30/2006 NATRIX (79693.010200/US)</p>	<p>N/A</p>	<p>Bio-Medical Devices, Inc.</p>	<p>Registered March 4, 2008.</p>

Section 3.1

Listing of Certain Assets and Data

Section 3.1.3 Certain Agreements, Etc.

None.

Section 3.1

Listing of Certain Assets and Data

Section 3.1.4 Permits, Licenses, Etc.

None.

Section 3.2

Organization; Directors and Officers

Corporate Officers

President: Harry N. Herbert

Secretary: Harry N. Herbert

Treasurer: Harry N. Herbert

Corporate Directors

Harry N. Herbert

Bradford H. Hack

Ben A. Trainer

Section 3.6

Compliance with Law

- The Natrix System has been listed on a manufacturing schedule of a New Medical Device Manufacturing License Application filed with the California Department of Public Health- Food and Drug Branch by an Affiliate of Seller (as previously disclosed and identified to Medtronic) located at 17171 Daimler Avenue, Irvine, California, 92614.
- An Affiliate of Seller (as previously disclosed and identified to Medtronic) located at 17171 Daimler Avenue, Irvine, California, 92614 has made a regulatory filing with the FDA pursuant to device listing requirements under 21 C.F.R. 807.

Section 3.8

Consents

None.

Section 3.9

Title to and Condition of the Purchased Assets

Those assets listed under "Mold List" under Schedule 3.1.1 above are located at the facilities of an Affiliate of Seller (as previously disclosed and identified to Medtronic) located at 13948 Mountain Avenue, Chino, California, 91710. All other tangible assets listed under Schedule 3.1.1 are located at the facilities of an Affiliate of Seller (as previously disclosed and identified to Medtronic) located at 17171 Daimler Avenue, Irvine, California, 92614.

Section 3.10

Contracts

None.

Section 3.11

Intellectual Property

In June 2008, Nysa Membrane Technologies, Inc., a supplier of high performance, single use and multi-cycle disposable chromatography products founded in 2005 announced Natrix Separations, Inc. as the company's new name.

Section 3.12

No Finders

None.

PABBAN DEVELOPMENT, INC.

SCHEDULES TO ASSET PURCHASE AGREEMENT

Schedule 1.1(a)

Key Personnel

Harry N. Herbert
Bill Starks
Lawrence Green

Schedule 1.1(b)

Regulatory Filings and Documentation

- The Natrix System has been listed on a manufacturing schedule of a New Medical Device Manufacturing License Application filed with the California Department of Public Health- Food and Drug Branch by an Affiliate of Seller (as previously disclosed and identified to Medtronic).
- An Affiliate of Seller (as previously disclosed and identified to Medtronic) located at 17171 Daimler Avenue, Irvine, California, 92614 has made a regulatory filing with the FDA pursuant to device listing requirements under 21 C.F.R. 807.

Schedule 2.3.1

Contracts

None.

Schedule 2.9(i)

Purchase Price Allocation

The amount of \$103,423 shall be allocated to Class V and the balance of the Purchase Price, less imputed interest, shall be allocated to Class VI and VII. Seller shall prepare Form 8594 and provide it to Buyer by August 15, 2009 and both parties shall use such Form 8594 for all income tax reporting purposes.

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF ORANGE**

3 At the time of service, I was over 18 years of age and not a party to this
4 action. I am employed in the County of Orange, State of California. My business
address is 18101 Von Karman Avenue, Suite 230, Irvine, California 92612-7132.

5 On April 29, 2011, I served the following document(s) described as **FIRST**
6 **AMENDED COMPLAINT FOR DAMAGES** on the interested parties in this
action as follows:

7 Stuart A. Shanus Attorneys for Defendants KYPHON
Francisco M. Mok SARL, MEDTRONIC, INC.
8 Katherine W. Insogna
REED SMITH LLP
9 1901 Avenue of the Stars, Suite 700
Los Angeles, CA 90067-6078
10 Telephone: (310) 734-5200
Facsimile: (310) 734-5299
11 Email: sshanus@reedsmith.com
fmok@reedsmith.com
kinsogna@reedsmith.com

13 **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused a copy of the
14 document(s) to be sent from e-mail address jdonovan@twtlaw.com to the persons at
the e-mail addresses listed in the Service List. I did not receive, within a reasonable
15 time after the transmission, any electronic message or other indication that the
transmission was unsuccessful.

16 I declare under penalty of perjury under the laws of the United States of
America that the foregoing is true and correct and that I am employed in the office
17 of a member of the bar of this Court at whose direction the service was made.

18 Executed on April 29, 2011, at Irvine, California.

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Jane Donovan
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